

**Louisiana Department of Environmental Quality (LDEQ)
Office of Environmental Services**

STATEMENT OF BASIS

**Regency Intrastate Gas, LLC
Cane Hill Compressor Station
Columbia, Caldwell Parish, Louisiana
Agency Interest Number: 160015
Activity Number: PER20080001
Draft Permit Number: 0540-00035-V0**

I. APPLICANT:

Company:

Regency Intrastate Gas, LLC - Cane Hill Compressor Station
401 Edwards Street, Suite 1320
Shreveport, Louisiana 71101

Facility:

Regency Intrastate Gas, LLC
off Hwy. 165 8.7 miles from
Columbia, Caldwell Parish, Louisiana
32° 12' 15" 15 hundredths latitude, 92° 6' 56" 59 hundredths longitude

II. FACILITY AND CURRENT PERMIT STATUS:

Regency Intrastate Gas, LLC, proposes to construct and operate a natural gas transmission facility, the Cane Hill Compressor Station in Columbia, Caldwell Parish.

III. PROPOSED PERMIT / PROJECT INFORMATION:

Proposed Permit

Regency Intrastate Gas, LLC submitted a permit application requesting a Part 70 Title V operating permit on August 8, 2008.

Project

Regency Intrastate Gas, LLC – Cane Hill Compressor Station will compress and transmit natural gas.

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Proposed Permit

Permit 0540-00035-V0 will be the initial Part 70 operating permit for the Cane Hill Compressor Station.

A notice requesting public comment on the permit was published in *The Advocate*, Baton Rouge and in *The Caldwell Watchman-Progress*. A copy of the notice was mailed to concerned citizens listed in the Office of Environmental Services Public Notice Mailing List. The application and proposed permit were submitted to the East Baton Rouge Parish Library. The proposed permit was also submitted to US EPA Region 6. All comments will be considered prior to the final permit decision.

Permitted Air Emissions

Estimated emissions in tons per year are as follows:

<u>Pollutant</u>	<u>Proposed</u>
PM ₁₀	7.28
SO ₂	0.46
NO _x	124.80
CO	59.22
VOC *	69.32

*VOC LAC 33:III Chapter 51 Toxic Air
 Pollutants (TAPs):

<u>Pollutant</u>	<u>Proposed</u>
Acetaldehyde	6.42
Acrolein	3.93
Benzene	0.55
Ethyl benzene	0.03
Formaldehyde	8.89
Methanol	1.92
Toluene	0.45
Xylene (mixed isomers)	0.06
n-Hexane	0.69
Total	22.94

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IV REGULATORY ANALYSIS

The applicability of the appropriate regulations is straightforward and provided in the Specific Requirements section of the proposed permit. Similarly, the Monitoring, Reporting and Recordkeeping necessary to demonstrate compliance with the applicable terms, conditions and standards are also provided in the Specific Requirements section of the proposed permit.

Prevention of Significant Deterioration Applicability

Project emissions do not exceed PSD threshold, thus PSD does not apply.

Non-Attainment New Source Review (NNSR)

Project area is in attainment of the ambient air quality standards, thus NNSR does not apply.

MACT requirements

These regulations define maximum achievable control technology (MACT) standards for stationary source categories of hazardous air pollutants (HAPs). These HAPs are listed in the Clean Air Act Amendments of 1990. The facility will comply with all applicable MACT requirements.

Air Modeling Analysis

Emissions associated with the proposed permit were reviewed by the Air Quality Assessment Division to ensure compliance with the NAAQS and AAS. LDEQ did not require the applicant to model emissions.

General Condition XVII Activities

The facility will comply with the applicable General Condition XVII Activities emissions as required by the operating permit rule. However, General Condition XVII Activities are not subject to testing, monitoring, reporting or recordkeeping requirements. For a list of approved General Condition XVII Activities, refer to Section VIII of the draft Part 70 permit.

Insignificant Activities

All Insignificant Activities are authorized under LAC 33:III.501.B.5. For a list of approved Insignificant Activities, refer to Section IX of the draft Part 70 permit.

IV. Regulatory Analysis

This permit was reviewed for compliance with 40 CFR 70, the Louisiana Air Quality Regulations, New Source Performance Standards (NSPS), and National Emission Standards for Hazardous Air Pollutants (NESHAP). Compliance Assurance Monitoring (CAM),

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Prevention of Significant Deterioration (PSD) and Non-attainment New Source Review (NNSR) do not apply.

The applicability of the appropriate regulations is straightforward and provided in the Facility Specific Requirements Section of the draft permit. Similarly, the Monitoring, Reporting and Recordkeeping necessary to demonstrate compliance with the applicable terms conditions and standards are provided in the Facility Specific Requirements Section of the draft permit.

Prevention of Significant Deterioration Applicability

This permit does not include any new construction or modifications that require evaluation for PSD.

Non-Attainment New Source Review (NNSR) Part 52

This permit does not include any new construction or modifications that require evaluation for NNSR.

New Source Performance Standards (NSPS) – Part 60

Subpart JJJJ – Standards of Performance for Stationary Spark Ignition Internal Combustion Engines

The C-2, C-3, C-4, C-5, C-6, C-7, and G-1 (EQT002-008) - Compressor Engines are defined as stationary spark Ignition Internal Combustion Engine. As such, these engines are subject to Subpart JJJJ. The facility will comply with all applicable requirements of this regulation.

National Emission Standards for Hazardous Air Pollutants (NESHAP) for Source Categories – Part 63

Subpart ZZZZ: Reciprocating Internal Combustion Engines (RICE) NESHAP

The Cane Hill Compressor Station is a minor source of hazardous air pollutants. The facility will comply with applicable requirements of this subpart.

Compliance Assurance Monitoring (CAM) – Part 64

Emission units at the Cane Hill Compressor Station are not equipped with an add-on control device to achieve compliance with an emission limitation or standard. As such, a CAM Plan is not required for Cane Hill Compressor Station. The engine C-7 – Compressor Engine (Caterpillar 3616, 4735 HP) (EQT007) is exempt from CAM because this engine is subject to the requirements of 40 CFR 60 Subpart JJJJ.

40 CFR 68 – Chemical Accident Prevention

The Cane Hill Compressor Station does not produce, process, handle, or store any substance listed in 40 CFR 68.130 in an amount greater than the threshold quantity.

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State Operating Permit Program (Title V) – Part 70

This permit is an initial permit and the application, submitted under the Louisiana Title V permitting program, contains all the elements as required under the Louisiana Title V regulations.

State Regulations

Comprehensive Toxic Air Pollutant Emission Control Program – Chapter 51

The Cane Hill Compressor Station is not a major source of hazardous air pollutants, as defined in LAC 33:III.5103, thus Chapter 51 does not apply.

V. Permit Shields

A permit shield was not requested.

VI. Periodic Monitoring

The monitoring, reporting and recordkeeping necessary to demonstrate compliance with the applicable terms, conditions and standards are provided in the Facility Specific Requirements Section of the draft permit, or explained in Table 2 of the Air Permit Briefing Sheet.

VII. Applicability and Exemptions of Selected Subject Items

See Permit.

VIII. Glossary

Best Available Control Technologies (BACT) - An emissions limitation (including a visible emission standard) based on the maximum degree of reduction for each pollutant subject to regulation under this part which would be emitted from any proposed major stationary source or major modification which the administrative authority, on a case-by-case basis, taking into account energy, environmental, and economic impacts and other costs, determines is achievable for such source or modification through application of production processes or available methods, systems, and techniques, including fuel cleaning or treatment or innovative fuel combustion techniques for control of such pollutant.

Carbon Monoxide (CO) – A colorless, odorless gas which is an oxide of carbon.

Grandfathered Status- Those facilities that were under actual construction or operation as of June 19, 1969, the signature date of the original Clean Air Act. These facilities are not

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required to obtain a permit. Facilities that are subject to Part 70 (Title V) requirements lose grandfathered status and must apply for a permit.

Hydrogen Sulfide (H₂S) - A colorless inflammable gas having the characteristic odor of rotten eggs, and found in many mineral springs. It is produced by the action of acids on metallic sulfides, and is an important chemical reagent.

Maximum Achievable Control Technology (MACT) - The maximum degree of reduction in emissions of each air pollutant subject to LAC 33:III.Chapter 51 (including a prohibition on such emissions, where achievable) that the administrative authority, upon review of submitted MACT compliance plans and other relevant information and taking into consideration the cost of achieving such emission reduction, as well as any non-air-quality health and environmental impacts and energy requirements, determines is achievable through application of measures, processes, methods, systems, or techniques.

New Source Review (NSR) - A preconstruction review and permitting program applicable to new or modified major stationary sources of air pollutants regulated under the Clean Air Act (CAA). NSR is required by Parts C ("Prevention of Significant Deterioration of Air Quality") and D ("Nonattainment New Source Review").

Nitrogen Oxides (NO_x) - Compounds whose molecules consists of nitrogen and oxygen.

Nonattainment New Source Review (NNSR) - A New Source Review permitting program for major sources in geographic areas that do not meet the National Ambient Air Quality Standards (NAAQS) at 40 CFR Part 50. Nonattainment NSR is designed to ensure that emissions associated with new or modified sources will be regulated with the goal of improving ambient air quality.

Organic Compound - Any compound of carbon and another element. Examples: Methane (CH₄), Ethane (C₂H₆), Carbon Disulfide (CS₂)

Part 70 Operating Permit- Also referred to as a Title V permit, required for major sources as defined in 40 CFR 70 and LAC 33:III.507. Major sources include, but are not limited to, sources which have the potential to emit: ≥ 10 tons per year of any toxic air pollutant; ≥ 25 tons of total toxic air pollutants; and ≥ 100 tons per year of regulated pollutants (unless regulated solely under 112(r) of the Clean Air Act) (25 tons per year for sources in non-attainment parishes).

PM₁₀- Particulate matter with an aerodynamic diameter less than or equal to a nominal 10 micrometers as measured by the method in Title 40, Code of Federal Regulations, Part 50, Appendix J.

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Potential to Emit (PTE) - The maximum capacity of a stationary source to emit any air pollutant under its physical and operational design.

Prevention of Significant Deterioration (PSD) - A New Source Review permitting program for major sources in geographic areas that meet the National Ambient Air Quality Standards (NAAQS) at 40 CFR Part 50. PSD requirements are designed to ensure that the air quality in attainment areas will not degrade.

Sulfur Dioxide (SO₂) - An oxide of sulfur.

Title V permit - See Part 70 Operating Permit.

Volatile Organic Compound (VOC) - Any organic compound which participates in atmospheric photochemical reactions; that is, any organic compound other than those which the administrator of the U.S. Environmental Protection Agency designates as having negligible photochemical reactivity.